

W-02824A-07-0388

OPEN MEETING AGENDA ITEM



0000095978

ORIGINAL

ARIZONA CORPORATION COMMISS

UTILITY COMPLAINT FORM

Investigator: Trish MeeterPhone: [REDACTED]Fax: [REDACTED]Priority: Respond Within Five DaysComplaint No. 2009 - 78155Date: 4/8/2009Complaint Description: 08Z Rate Case Items - Other
N/A Not ApplicableFirst:Last:Complaint By:

Larry

Bligh

Account Name:

Larry Bligh

Home: [REDACTED]Street:

[REDACTED]

Work: Arizona Corporation CommissionCity:

Prescott

CBR:

DOCKETED

State:

AZ

Zip: [REDACTED]is:

APR 23 2009

Utility Company: ICR Water Users AssociationDivision:

Water

DOCKETED BY

Contact Name:

[REDACTED]

Contact Phone:

[REDACTED]

Nature of Complaint:

4/8 Rec'd this cc'd email originally sent to Chairman Mayes. Also Rec'd through Chairman Mayes' Office.

Chairman Mayes,

To use a phrase from Mr. Busch's/ICRWUA's so called "response" to my complaint dated 2/6/09; this has indeed been an "escalation" of ongoing correspondence between ICRWUA and myself. I do take exception to their suggestion that I was somehow "impatient" awaiting a response from ICRWUA. As I stated to you in my initial complaint, I attempted to resolve this at a local level without success. However, this should come as no surprise, as many member/owners of ICRWUA have both written and testified in public comment to the Commission that getting information from our shareholder owned district is oftentimes next to impossible. Even when information is received, after review, it is oftentimes found to be incomplete or inaccurate.

Without taking a great deal of your time, I would like to respond to a number of comments/points that were a part of ICRWUA's response to my complaint. To save everyone a great deal of time, I will do this in a bullet format.

* ICRWUA's contention that they have somehow been unsuccessful in responding to my "ever-expanding sets of questions." - It is my opinion, and that of others, that unfortunately ICRWUA far too often answers questions (not only from me) with responses that at best are disingenuous and at worst, simply not true. The idea of an "ever-expanding" set of questions comes from simply not accepting what they have to say as being true or correct and probing further for accuracy.

* Mr. Bligh's impatience. Here again, unfortunately ICRWUA's track record of simply refusing to respond to questions presented both in person at Board meetings, as well as in writing, cause people like myself to put a deadline on waiting for a response. Without a deadline, we could wait forever. I would have you note, that in my written communications with ICRWUA that I forward to the Commission, I had included in my request for information to ICRWUA what I felt was a reasonable expected date for a response. Not receiving a complete response, I again contacted them with a follow-up (e-mail dated 1/31/09) that simply went unanswered. Contact was again made with them via e-mail (dated 2/3/09) without any response. Only after these unanswered

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requests did I forward my complaint to the Commission on 2/6/09 as I had promised them I would do.

* His statement that "in spite of Judge Stern's comments, the non-tariff and non-metered sale of bulk water has continued is false". As we all know, the issue of ICRWUA selling bulk water without a tariff to do so, was addressed by Judge Stern during the rate case hearings of 12/1/08 - 12/3/08. I believe that Judge Stern made it perfectly clear that these sales were not a part of any existing tariff and for ICRWUA to simply make it up as they go along was not acceptable. In spite of Judge Stern's comments, when the question was asked at the January 27th Board meeting if the company was now in compliance and no longer selling without an approved tariff non-metered bulk water, the answer by Mr. Busch (the very same person to who Judge Stern addressed his comments to on the matter during the hearings) proceeded to answer the question with the idea that these sales were not an issue. When asked how that was possible without an approved tariff and that the sales were not metered, the same Mr. Busch seemed a bit confused and stated that he believed that ICRWUA did indeed have a bulk water tariff and that he also believed that the hydrant in question where it had been observed the water being taken did have a meter. Members in the audience assured him that he was mistaken or confused and that there was no meter on the hydrant in question. I have to assume that Mr. Busch forgot the discussions with Judge Stern?

As Mr. Busch continued to maintain to the group that ICRWUA did have a bulk water tariff, that same day after the meeting I forwarded a written question to Mr. Busch asking that he point to the place in the standing ACC Order (64360) where ICRWUA had a bulk water tariff. Clearly I knew there was none. His response was that only after being pressed at the meeting did he look into the issue about an approved tariff only to find out that ICRWUA did not have a bulk water tariff. In his written response, he admitted that sales had continued even after the hearing dates of 12/1/08 - 12/3/08 with one admitted sale in mid December. Maybe Mr. Busch forgot about his written communication to me of 1/28/09 when he attempted to "spin" an answer to my complaint to the Commission? Maybe Mr. Busch forgot that Judge Stern addressed this with him during the hearing and ICRWUA did nothing about changing the unapproved practice until members addressed it at the meeting on 1/27/09? Please note, that all of Mr. Busch's written communications were attached to my original complaint. I would also add, that it was clear that members of the Board were not happy at having the questions raised at the open meeting. In fact, one of the Board members attempted to justify the position with the group with the claim that this was obviously not an issue as "this had been going on for years." Clearly, as it was discovered during the rate case hearings, not following the rules is not something new for ICRWUA, but this type of behavior simply should not and cannot be tolerated.

* Adequate business practices not in place to help to insure against losses. " Hopefully, the Commission before granting a bulk water tariff to ICRWUA has someone review ICRWUA's proposed business practice related to this activity and compares it against known best practices. Clearly, with the losses claimed by ICRWUA, their honor system" policy appears completely inadequate. I would also add, that I take exception to Mr. Busch's comments in his response to the Commission where he states that I am the one somehow confused as it relates to contractors, non-tariffed and non-metered sales of bulk water, and metered active account sales to contractors/homebuilders/developers. I believe that it is ICRWUA and Mr. Busch who are confused, evidenced by their clearly not understand their standing Order and its single tariff. The question related to delinquent accounts only came after the Board proposed as writing off as bad debt a substantial amount of money. The original question, I believe, was fairly simple. How many accounts were involved in the write-off and what was the balance on each of those accounts? How long had the accounts been delinquent? All fairly simple questions, that had answers been given likely would have satisfied member/owner concerns.

I would like to close by again asking that someone at the Commission take a very hard look at the facts related to this complaint. Simply allowing Mr. Busch/ICRWUA to "spin" an answer is not acceptable. I believe that the questions/accusations are clear and straightforward and would also ask that ICRWUA be requested to answer the questions presented and explain how they simply ignored Judge Stern and his position on bulk water sales and answer the simple request on delinquent accounts. Additionally, I believe an acceptable response from ICRWUA also needs to loose the rhetoric and simply answer the questions presented that are areas clearly covered by the authority of the Commission.

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Thank you.

Larry & Tina Bligh

Prescott, AZ

Questions to company by Consumer Services Section of the ACC.

Has a response been made to the customer regarding:

- A) How many accounts were written off because they were delinquent?
- B) What business plan is in place to assure the accurate metering and sale of bulk water?

Please contact the customer and provide a written response to the Consumer Services Section.

End of Complaint

Utilities' Response:

ICR Water Users Association

April 18, 2009

Mr. Larry Bligh;

This is in response to complaint #78155 sent to the Arizona Corporation Commission dated 4/8/2009.

The Company has the following response to the questions and concerns in your complaint:

1. How many accounts were written off because they were delinquent?

During the entire year of 2008, there were no write offs for non-payment. Currently during 2009, there were three accounts in the Inscription Canyon Ranch Subdivision written off, totaling \$39.96. There are presently 10 accounts that are past due that have been disconnected with an aggregate amount owed of \$2,088.88. These accounts were builders, principally in Talking Rock that have declared bankruptcy in the last 12 months or so.

These accounts have not yet been written off and the Company is pursuing the use of a collection agency. It is doubtful that ICRWUA will be able to collect the balance due from these bankrupt customers, but every attempt will be made to do so. You may recall that the Board has changed the application for service to require that an individual, rather than a company, apply for service. This will afford the company a greater chance of collecting delinquent accounts.

2. What business plan is in place to assure the accurate metering and sale of bulk water?

As of this date, ICRWUA has no bulk water sale tariff. The Board has not approved any plan regarding the sale of bulk water (if a bulk water tariff is approved in the present rate case.) That being said, I will be recommending to the board the following policy/plan if a bulk tariff is approved and authorized in the current rate case:

a. Bulk water sales will include any sale from a location other than a permanent underground service and meter connection.

b. Bulk water will be sold to an individual who:

- i. Pays a deposit for the appropriate size meter
- ii. Places the account in his/her name
- iii. Pays the monthly meter charge for the appropriate meter

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iv. Pays monthly, for the usage read on the meter

c. There will be no bulk sales to more than one individual/customer from a single meter

This plan is very preliminary, and is subject to review and modification by the board prior to approval. As such, any input or comment on the proposal would be welcome.

We hope this answers the questions posed in your complaint.

Sincerely,

Robert M Busch
Manager, ICR Water Users Association

cc: Kristen Mayes, Trish Meeter

End of Response

Investigator's Comments and Disposition:

4/8

Called customer. No answer

4/14

He commented on the fact that the company has no business plan in place to address the sale of bulk water. He had concerns that fire hydrant water was sold even after the ALJ ordered them to stop. He states this was in January.

I advised customer that the company had informed me that no sale of hydrant water was taking place. I asked if he was seeking some type of retribution for past violations of the company. He stated no, his concerns were how a company that does not know what they are doing is going to move forward with the sale of bulk water if there is no method in place to account for the sale. Advised him that once the tariff is approved, the company is required to charge a rate as approved.

He used the analogy of selling tomatoes by the pound and not having a scale.

He would like to have two very specific questions answered by the company and looked at by the Commission.

1. How many accounts were written off because they were delinquent?
 2. What business plan is in place to assure the accurate metering and sale of bulk water?
-

NOTES BY LUPE:

4/21/2009 @11:25AM - Attempted to contact customer, received a busy signal.

4/22 @10:19am - Left Message - Called customer, advised that I am calling for Trish Meeter, PUCA as she is currently out of the office. Further advised the customer, that my call is to confirm that he received the response from ICRWUA to his questions & concerns. Requested that the customer call me if he has any additional questions or concerns related to this matter.

Also advised the customer, that this case has been scheduled to be heard by the Chairman and Commissioner's during the upcoming Open Meeting, which will be held on 4/28 & 4/29. Left my name, toll free and direct telephone number.

4/22 @12:45pm - Received a voicemail message from customer. Customer confirmed that he did receive the utilities response and does have some concerns with the information ICRWUA has provided, as it appears to be

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inconsistent with the original information ICRWUA published and provided its Board by almost 50%.

4/22 @3:40pm Called customer in response to his voicemail. Customer thanked me for calling him and expressed his appreciation for staff assistance in addressing this matter on his behalf. Customer states that he did receive ICRWUA's response to his questions, which do appear to be inconsistent with the information the Company previously provided its Board of Director's. Customer plans to attend the upcoming Open Meeting since ICWUA has been placed on the agenda and may possibly offer public comment for this case. CLOSED
End of Comments

Date Completed: 4/22/2009

Complaint No. 2009 - 78155

Un-Substantiated

Notes: